

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

JAN 25 2021

US DISTRICT COURT
WESTERN DISTRICT OF NC

UNITED STATES OF AMERICA)	Docket No.: 3:21-CR-00022
)	
v.)	BILL OF INFORMATION
)	
JOSEPH RANSOME)	Violations: 18 U.S.C. § 1343
)	
)	

THE UNITED STATES ATTORNEY CHARGES:

At the specified time and at all relevant times:

1. From at least March 2020 through July 2020, the Defendant, JOSEPH RANSOME ("RANSOME"), a resident of Indian Trail, North Carolina, within the Western District of North Carolina, engaged in a scheme to defraud the United States Department of Labor, and at least ten states, including North Carolina, New Jersey, Connecticut, Florida, Minnesota, New York, Massachusetts, Maine, Washington, and Illinois, by filing fraudulent claims for unemployment insurance (UI) benefits in his own name. During the course of the scheme, RANSOME fraudulently applied for more than \$150,000 in unemployment benefits by filing false claims containing fake information, including but not limited to, dates and places of employment and the reasons for termination.

Background of the Unemployment System

2. The Social Security Act of 1935 initiated the UI system, which is operated and managed by each state at the direction of the federal government, specifically, the United States Department of Labor (DOL). In the majority of states, benefit funding is based solely on a tax imposed on employers. However, DOL funds all substantive and administrative costs associated with each state's UI system, which is run by a state agency in the respective state. The UI system is designed to provide benefits to persons who are out of work due to no fault of their own, and who meet other eligibility requirements of state laws.

3. Eligibility for UI, benefit amounts, and the length of time benefits are available is determined by individual state law. In all states, individual claimants must be eligible for employment and actively searching for employment while receiving UI benefits.

4. A claimant receives UI benefits by completing an application at a local "one-stop center," by telephone, or online at each state's website. A claimant must provide the claimant's name, date of birth, social security number, home address, and other personal information. On a weekly or bi-weekly basis, the claimant then files for weekly payment benefits by certifying that the claimant is unemployed, eligible for benefits, and is seeking employment.

5. The state agencies authorize their financial services sections to release unemployment compensation funds in the form of either: (a) a state contracted debit card mailed to the applicant; (b) a direct deposit into a pre-paid debit card account; (c) a direct deposit into the claimant's designated bank account; or (d) in rare cases, some states will issue a check, if requested.

6. As relevant to this Information, direct deposits of UI funds were completed through the automated clearing house ("ACH"), an electronic funds-transfer system that facilitates payments within the United States.

COVID-19, the National Emergency, and FPUC

7. According to the United States Centers for Disease Control and Prevention (CDC), Coronavirus Disease 2019 ("COVID-19") is a respiratory illness that can spread from person to person. The virus that causes COVID-19 is a novel coronavirus that was first identified during an investigation into a 2019 outbreak in Wuhan, China. COVID-19 can attack human lungs and kill infected persons, especially those who have certain risk factors identified by the CDC.

8. On March 13, 2020, President Donald J. Trump issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak ("the Emergency Proclamation"). The Emergency Proclamation noted that "on March 11, 2020, the World Health Organization announced that the COVID-19 outbreak can be characterized as a pandemic, as the rates of infection continue to rise in many locations around the world and across the United States." Further, "[t]he spread of COVID-19 within our Nation's communities threatens to strain our Nation's healthcare systems."

9. At all relevant times, Section 2104 of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020), entitled "Emergency Increase in Unemployment Compensation Benefits," provided for an additional \$600 weekly payment, known as "Federal Pandemic Unemployment Compensation" or "FPUC," to certain eligible individuals who were receiving other UI benefits under state law.

10. At all relevant times, New Jersey, Connecticut, Florida, Minnesota, North Carolina, New York, Massachusetts, Maine, Washington, and Illinois paid FPUC, a benefit authorized, transported, transmitted, transferred, disbursed, and paid in connection with, a presidentially declared major emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5122).

The Scheme to Defraud

11. From in or about March 2020 and continuing until in or about July 2020, in the Western District of North Carolina, and elsewhere, and in relation to and involving a benefit authorized, transported, transmitted, transferred, disbursed, and paid in connection with, a presidentially declared major emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5122), Defendant JOSEPH RANSOME did voluntarily and intentionally (1) participate in a scheme and artifice to defraud with knowledge of its fraudulent nature and (2) obtain the money and property by means

of false and fraudulent pretenses, representations, and promises (collectively, “the scheme to defraud”).

Manner and Means of the Scheme to Defraud

12. It was part of the scheme to defraud that RANSOME applied for fraudulent UI benefits in the States of North Carolina, New Jersey, Connecticut, Florida, Minnesota, New York, Massachusetts, Maine, Washington, and Illinois, over the Internet.

13. It was further part of the scheme to defraud that RANSOME filed fraudulent claims for UI benefits in his own name claiming non-existent employment and false reasons for termination, among other falsities.

a. For example, RANSOME falsely claimed to have been laid off from Walmart in North Carolina due to COVID, when in truth he was laid off for misconduct. RANSOME claimed prior employment at Target, BestBuy, Lowe’s, and Hobby Lobby, among others, when he did not work for those companies. Further, RANSOME falsely claimed he was laid off from some of these companies because he had been diagnosed with COVID or due to lack of work because of COVID-19. On some occasions, RANSOME used a social security number and mailing address that did not belong to him.

14. It was further part of the scheme to defraud that RANSOME directed that payments of the fraudulent UI benefits be made to bank accounts and Green Dot cards under his control, using wires in interstate commerce. For example:

a. On or about March 26, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of North Carolina in his name falsely claiming that he had been laid off from Walmart in North Carolina because of a diagnosis of COVID-19. The fraudulent UI benefit claim directed that payments be made to a NASA Federal Credit Union (NASA FCU) account ending *3832.

b. On or about March 28, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of New York in his name falsely claiming prior employment at Walmart in that state. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending *3832 and a Wells Fargo Bank (Wells Fargo) account ending *6251.

c. On or about March 29, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of Illinois in his name falsely claiming prior employment at Hobby Lobby in that state and that he had been laid off because of a diagnosis of COVID-19. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending in *3832.

d. On or about April 4, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of Massachusetts in his name falsely claiming prior employment at Walmart in that state. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending in *3832.

e. On or about April 5, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of New Jersey in his name falsely claiming prior employment at Target in that state and that he had been laid off because of a diagnosis of COVID-19. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending *3832 and a SunTrust account ending *2364.

f. On or about April 7, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of Minnesota in his name falsely claiming prior employment at Lowe's in that state. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending *3832.

g. On or about April 30, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of Washington in his name falsely claiming prior employment at Costco Wholesale Corporation in that state. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending in *3832 and a Wells Fargo account ending *6251.

h. On or about May 10, 2020, RANSOME submitted and caused to be submitted a fraudulent UI benefit claim to the State of Connecticut in his name falsely claiming prior employment at Best Buy and that he had laid off because of a diagnosis of COVID-19. The fraudulent UI benefit claim directed that payments be made to a NASA FCU account ending in *3832 and a Wells Fargo account ending *6251.

COUNT ONE

Wire Fraud Scheme (18 U.S.C. §1343)

15. Between in or about March 2020 and continuing through July 2020, in the Western District of North Carolina, and elsewhere, Defendant JOSEPH RANSOME knowingly executed and attempted to execute the above described scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, would and did transmit and cause to be transmitted by means of wire communication in interstate commerce, any writing, sign, signal, picture, and sound for the purposes of executing said scheme and artifice *to wit* the electronic submission of fraudulent UI claims and the bank wires depositing the UI benefits.

All in violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE

Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

- a. All property which constitutes or is derived from proceeds of the violations set forth in Count One of this bill of information; and
- b. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a).

The following property is subject to forfeiture on one of the grounds set forth above: approximately \$44,367 in proceeds of the violation set forth in Count One.

R. ANDREW MURRAY
UNITED STATES ATTORNEY



CARYN FINLEY
ASSISTANT UNITED STATES ATTORNEY